

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FOOTHILLS RURAL)	
TELEPHONE COOPERATIVE CORPORATION,)	
INC. FOR A CERTIFICATE OF CONVENIENCE)	
AND NECESSITY AUTHORIZING IT TO)	CASE NO. 92-062
REPLACE CERTAIN EXISTING CENTRAL)	
OFFICES AND ASSOCIATED REMOTE LINE)	
SWITCHES)	

O R D E R

On February 14, 1992, Foothills Rural Telephone Cooperative Corporation, Inc. ("Foothills RTCC") filed an application seeking a Certificate of Public Convenience and Necessity to Construct and upgrade its facilities. On May 5, 1992, Foothills RTCC was ordered to provide additional information. Foothills RTCC filed its response on May 8, 1992.

Foothills RTCC is a corporation organized under the laws of the Commonwealth of Kentucky. Its principle office is in Staffordsville, Johnson County, Kentucky. Foothills RTCC serves Johnson, Lawrence and Magoffin counties in Kentucky through central offices located in Blaine, Chapman, Fallsburg, Flat Gap, Royalton, Salyersville, and Staffordsville.

The proposed construction will be accomplished in two phases. Phase I is to be completed in 1992 and consists of the following:

(1) Replacement of the ITT-North 1210 central office equipment located at Salyersville and the two associated remote line switches located at Elsie, and Lickburg; and

(2) Replacement of the ITT-North 1210 central office equipment at Royalton and the associated remote line switch located at Fredville.

Phase II of the construction, with a projected completion date in 1995, involves the replacement of the ITT-North 1210 central office equipment at Staffordsville by making a line addition to the existing collocated Stromberg office and the replacement of the three associated remote line switches located at Wittensville, River, and Denver.

The existing equipment does not allow for the provision of equal access, CLASS services or features, future implementation of ISDN or related features or 911 services. There is inadequate support for the existing central office equipment which was originally installed in 1980.

The new equipment is to be purchased by contract on an installed basis from the supplier. The estimated cost of the proposed construction is \$1,994,785 for Phase I, and \$1,553,650 for Phase II. The estimated costs by exchange are as follows:

Salyersville	\$1,013,351
Royalton	283,474
Fredville	158,487
Elsie	160,557
Lickburg	314,077
Staffordsville	698,625
Staffordsville (line addition)	64,839
Wittensville	455,975
River	199,525
Denver	199,525

The total cost of construction is \$3,548,435. The cost will be funded by the use of existing Cooperative funds.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that there is a need for the proposed construction and upgrade of facilities.

IT IS THEREFORE ORDERED that:

1. Foothills RTCC be and it hereby is granted a Certificate of Public Convenience and Necessity to construct and upgrade the switching facilities as described in this Order and the application.

2. Foothills RTCC shall file a copy of all progress reports, or similar documents available, with the Commission on an annual basis.

3. Prior to booking any extraordinary retirements resulting from these upgrades, Foothills RTCC shall request approval of its plan for accounting for these retirements from the Commission.

4. Should the cost of the proposed construction exceed the estimated costs supplied with the application and summarized above, Foothills RTCC shall immediately notify the Commission of the adjustment with an explanation for the additional cost for the Commission's approval.

Done at Frankfort, Kentucky, this 22nd day of May, 1992.

ATTEST:


Executive Director

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner